

The General Ledger and the Chart of Accounts

Each fund is a separate group of self-balancing accounts. For accounts to be self-balancing, the totals of the accounts having debit (Dr) balances must equal the totals of the accounts having credit (Cr) balances.

An *account* is the device used to classify and summarize the effect of financial transactions on each asset, liability, component of fund balance, revenue, or expenditure. For example, the *cash account* in the General Fund will show all the transactions that affected cash in the General Fund for a given period of time. All the accounts within each fund will be classified as an asset, a liability, a fund balance (or retained earnings), a revenue, or an expenditure (expense) account.

The revenue and expenditure accounts are referred to as “temporary” or “nominal” accounts because they are “closed out” at the end of the year and become part of the fund balance. These revenue and expenditure accounts are reopened at the beginning of each fiscal year.

The asset, liability, and fund balance accounts are “permanent” or “real” accounts that exist throughout the life of a fund. These accounts are not “closed” at the end of the year.

General Ledger

The *General Ledger* is defined as the book, file, computer run, or other device which contains the accounts that are necessary to reflect in summary or in detail the financial operations and the financial condition of the local educational agency (LEA). The General Ledger for a fund will show the group of self-balancing accounts for that fund. A General Ledger will be maintained for each fund of an LEA. The sequence of accounts in the General Ledger will follow the order in which the accounts are presented in the financial statements—assets first and then liabilities, fund balance, revenues, and expenditures.

Chart of Accounts

A list of all the accounts of an LEA and the numbers assigned to the accounts is called a *Chart of Accounts*. The identification of the specific accounts to be used by an LEA should be one of the first steps in setting up the accounting system. New accounts may be added or unnecessary ones may be deleted once the system is in use.

Chart of Accounts

Normal balance

Assets		
9110	Cash in County Treasury	Dr
9111	Fair Value Adjustment to Cash in County Treasury.....	Dr
9120	Cash in Bank(s) (<i>Education Code</i> sections 35314, 38093, and 52704).....	Dr
9130	Revolving Cash Account (<i>Education Code</i> sections 42800–42806, 42810, 42820, and 42821)	Dr
9135	Cash with a Fiscal Agent/Trustee.....	Dr
9140	Cash Collections Awaiting Deposit (<i>Education Code</i> Section 41001)	Dr
9150	Investments (<i>Education Code</i> Section 41015)	Dr
9200	Accounts Receivable	Dr
9290	Due from Grantor Governments	Dr
9310	Due from Other Funds.....	Dr
9320	Stores.....	Dr
9330	Prepaid Expenditures (Expenses).....	Dr
9340	Other Current Assets	Dr
9410	Land.....	Dr
9420	Improvement of Sites	Dr
9425*	Accumulated Depreciation—Improvement of Sites	Dr
9430	Buildings.....	Dr
9435*	Accumulated Depreciation—Buildings	Dr
9440	Equipment	Dr
9445*	Accumulated Depreciation—Equipment	Dr
9450	Work in Progress.....	Dr
Liabilities		
9500	Accounts Payable (Current Liabilities).....	Cr
9590	Due to Grantor Governments	Cr
9610	Due to Other Funds.....	Cr
9620	Due to Student Groups/Other Agencies	Cr
9640	Current Loans	Cr
9650	Deferred Revenue.....	Cr
9661	General Obligation Bonds Payable	Cr
9662	State School Building Loans Payable	Cr
9664	Other Postemployment Benefits	Cr
9665	Compensated Absences Payable	Cr
9666	Certificates of Participation (COPs) Payable	Cr
9667	Capital Leases Payable	Cr
9668	Lease Revenue Bonds Payable	Cr
9669	Other General Long-Term Debt	Cr

*Accumulated depreciation accounts are contra-asset accounts that reduce the carrying value of the capital assets to which they relate. Accumulated depreciation accounts could be reported either as debit accounts with negative balances or as credit accounts with positive balances. For clarity of presentation, accumulated depreciation accounts shall be reported as debit accounts with their credit balances displayed as negatives.

Fund Balance

9711	Reserve for Revolving Cash.....	Cr
9712	Reserve for Stores	Cr
9713	Reserve for Prepaid Expenditures (Expenses).....	Cr
9719	Reserve for All Other	Cr
9720	Reserve for Encumbrances	Cr
9730	General Reserve (<i>Education Code</i> sections 1621 and 42124)	Cr
9740	Legally Restricted Balance.....	Cr
9770	Designated for Economic Uncertainties	Cr
9775	Designated for the Unrealized Gains of Investments and Cash in County Treasury ..	Cr
9780	Other Designations.....	Cr
9790	Undesignated/Unappropriated	Cr
9791	Beginning Fund Balance	Cr
9793	Audit Adjustments	Cr
9795	Other Restatements	Cr

Budgetary Accounts

9810	Estimated Revenue.....	Dr
9815	Estimated Other Financing Sources (Optional)	Dr
9820	Appropriations.....	Cr
9825	Estimated Other Financing Uses (Optional).....	Cr
9830	Encumbrances	Dr

Control Accounts

9840	Revenue	Cr
9845	Other Financing Sources (Optional)	Cr
9850	Expenditures	Dr
9855	Other Financing Uses (Optional)	Dr

Nonoperating Accounts

9910	Suspense Clearing	Dr, Cr
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For definitions of, and explanatory notes about, the accounts listed in the Chart of Accounts, please refer to CSAM Part II, Section 106.

